

MINUTES OF THE BOARD OF DIRECTORS OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

December 13, 2023

The Regular Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. John Maxwell	(CH)	Mr. Earl Sorey	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt ¹	(FR)
Dr. Dale Baugh	(IW)	Mr. Randy Keaton ²	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Ms. Lavonda Graham-Williams ³	(PO)
Mr. Tony Parnell ⁴	(SH)	Ms. Lynette Lowe ⁵	(SH)
Mr. D. Rossen S. Greene	(SU)	Mr. Albert Moor ⁶	(SU)
Mr. Thomas Leahy	(VB)	Mr. L.J. Hansen	(VB)

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included Alternate Ex-Officio Members Mr. Michael Etheridge (IW), Mr. Jeremy Kline (VB), Mr. Robert Lewis⁷ (SU), Mr. Oliver Love, Jr. (NO), Ms. Jocelyn Terry-Adumuah⁸ (PO), and Mr. Greg Martin (CH), SPSA executives, Mr. Dennis Bagley, Executive Director, Ms. Tressa Preston, Secretary and Director of Administration, Ms. Sandy Schreiber, Treasurer and Director of Finance, and Mr. Brett Spain, General Counsel.

To accommodate those who could not attend in person, through the meeting notice, members of the public were also invited to listen to, and view presentations displayed at the meeting, by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary through contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. **CALL MEETING TO ORDER**

Dr. Dale E. Baugh, Chair of the Board of Directors, called the December Board Meeting to order at 9:30 a.m. and then he led the Pledge of Allegiance.

¹ Ms. Jarratt was absent from the meeting.

² Mr. Keaton left the meeting at 11:38 a.m.

³ Ms. Graham-Williams was absent from the meeting and Ms. Terry-Adumuah served as voting member from the City of Portsmouth.

⁴ Mr. Parnell was absent from the meeting.

⁵ Ms. Lowe arrived at 9:37 a.m.

⁶ Mr. Moor arrived at 9:42 a.m. during closed session.

⁷ Mr. Lewis arrived at 9:38 a.m.

⁸ Ms. Terry-Adumuah left the meeting at 11:37 a.m.

2. **PUBLIC COMMENT**

Ms. Preston reported that there were no requests for public comment.

3. **CHAIRMAN'S COMMENTS**

Chairman Baugh informed the Board that, for the sake of time, the order of some agenda items would be altered to allow the RFI Presentation to take place after the conclusion of all other business in the event that discussion ran long. He also allowed Ms. Preston to explain that the speakers in the center of the room were for broadcasting and recording, but that the Board was to use their microphones as usual and that they could be assured that there would be no recording or broadcasting during the closed session portion of the meeting.

4. **APPROVAL OF MINUTES**

The minutes of the October 25, 2023 Board Meeting had been distributed. Chairman Baugh asked if there were any additions or changes and there were none.

Mr. Keifer moved, seconded by Mr. Sorey, to approve the October 25, 2023 minutes of the SPSA Board of Directors, as presented. The motion was adopted by a unanimous vote in favor.

5. **2024 BOARD MEETING DATES**

Ms. Preston asked the Board to turn their attention to the final page of their agenda packets where the proposed dates for the 2024 Board Meetings were listed. Ms. Preston explained that the 2024 dates follow the same pattern as they have previously: 9:30 a.m. on the fourth Wednesday of the month, with the exception of November, when there is no meeting, and December, when the meeting falls on the second Wednesday of the month. By following this pattern, major State holidays and other established regional meeting schedules should be accommodated.

Mr. Broad moved, seconded by Mr. McCoy, to approve the 2024 Board Meeting dates, as presented. The motion was adopted by a unanimous vote in favor.

6. **CLOSED SESSION**

Chairman Baugh reminded those present that a closed session to discuss the annual performance review of the Executive Director was on the agenda and announced that only Board Members would be present for that closed session. There were no objections to that plan. Prior to the beginning of the closed session, Chairman Baugh asked that Mr. Spain also participate in the closed session and there were no objections.

Motion to Approve Request for Closed Meeting.

I move that a closed session be held for discussion regarding the annual performance review of the Executive Director, in accordance with Virginia Code Section 2.2 3711(A)(1) relating to the performance of a specific public officer.

At 9:38 a.m., Mr. Broad moved, seconded by Mr. McCoy, to enter closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

Once back in open session both in person and electronically the following motions took place.

Motion to Approve Certification after Closed Meeting.

The Board hereby certifies that, to the best of each member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements by Virginia law under the Virginia Freedom of Information Act; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting just concluded.

The Board came back into open session at 10:11 a.m., at which time Mr. Hansen moved, seconded by Mr. McCoy, to certify the closed session, as presented. The motion was adopted by a unanimous roll call vote in favor.

Mr. Leahy moved, seconded by Mr. Moor, to approve, in recognition of the outstanding performance of Executive Director, Dennis Bagley, a 3.2% cost of living increase in base salary and a 5% one-time cash bonus for 2023 performance, to be effective January 1, 2024. The motion was adopted by a unanimous vote in favor.

7. EXECUTIVE DIRECTOR UPDATES

Mr. Bagley began his report by thanking Chairman Baugh and voicing his appreciation for the Board's confidence in him, noting that it had been a challenging year, with many challenges ahead, but that he and staff are looking forward to hitting the ground running and facing those challenges head-on.

Mr. Bagley recognized Mr. Marshall "Bubba" Tatem, recently promoted Transportation Manager, as the SPSA Values in Action Employee of the Month. Mr. Bagley chose to recognize Mr. Tatem not only for his excellent work at SPSA, but for the community stewardship that he and his wife provide for area families this time of year, opening their home as Mr. and Mrs. Claus so that children can visit and take pictures with Santa free of charge every Friday and Saturday from Thanksgiving to Christmas. Chairman Baugh presented Mr. Tatem with a certificate and lapel pin as tokens of the Board's appreciation.

Ms. Jasmin Walters presented the Board with a final briefing on the Salary Study and implementation of the Board-approved Pay Plan effective December 1, 2023. She covered the details of the process, including messaging to staff, methodologies used to assess changes, costs, implementation, and continued efforts toward future goals in evaluations and merit-based pay. She thanked the Board for their support and vision in using this project as a catalyst to move competitive pay forward for the entire region.

HR UPDATE

"OUR JOURNEY IS NOT FINISHED BUT WE HAVE COME A LONG WAY"

MUHAMMADU BUHARI



SALARY STUDY

THIS SUMMER, THE BOARD APPROVED:

- JULY 1 COLA
- SIGN-ON BONUS
- DEC 1 PAY PLAN

AS A MEANS TO LEAD THE CHARGE IN COMPETITIVE PAY FOR THE ENTIRE REGION.



5% INCREASE



ADJUST TO MINIMUM



ACCOUNT FOR COMPRESSION



PERSONNEL REVIEWS

THANK YOU!

WE COULDN'T HAVE DONE IT WITHOUT YOU!

THE PROCESS

GROUP COACHING SESSION

The Executive Team and HR met with all of the supervisors and managers as a group so that they were clear on our expectations.

DEPARTMENT MEETINGS

The Executive Team and HR met with each department individually to discuss employee performance at each site.

EXECUTIVE REVIEW

The Executive Team and HR met to discuss each individual employee and make a final determination.

EXECUTIVE REVIEW

- ADDRESS COMPRESSION
- ACCOUNT FOR TENURE
- ACCOUNT FOR EXPERIENCE PRIOR TO SPSA
- PULL BACKS
- PUSH FORWARDS



ANNUAL INCREASE
ALL EMPLOYEES



ADJUST TO MINIMUM
25 EMPLOYEES



ACCOUNT FOR COMPRESSION
ALL EMPLOYEES REVIEWED



PERSONNEL REVIEWS
ALL EMPLOYEES

COST SUMMARY

ESTIMATED	ACTUAL	\$ 125,233.61 BELOW
\$ 423,805	\$ 298,571.39	

THE ROLLOUT

MEMO DELIVERY

HR created memos for each individual employee and met with supervisors and managers to prepare them for discussions.

ONE-ON-ONE DISCUSSIONS

Supervisors and Managers met with their staff individually to discuss our process, their pull backs, push forwards and ways their performance can improve.

CORRECTIONS

We made sure the conversation could continue. We made corrections for oversights based on valid evaluation criteria.

THE FUTURE

ACCURATE JOB DESCRIPTIONS

- New template
- Kerri tours
- Manager review

THOROUGH EVALUATIONS

- Push Forwards
- Pull Backs
- Measurable and Specific

PERFORMANCE BASED MERIT INCREASES

- Initiative
- Cont. Education
- Certifications

OTHER UPDATES

While staff and members of the Executive Committee were already aware, Mr. Bagley informed the full Board that Ms. Walters had made the difficult decision to return to Maryland to be closer to family at this time. While a great loss for SPSA, staff fully support her, thank her, and wish her all the best. Because of Ms. Walter's dedication to SPSA, she and staff took the time to find and train the best possible candidate for SPSA's new HR Manager and are confident that person has been found in Ms. Cam Smith. Ms. Smith is a Navy Veteran with a master's degree in human resources management from Temple University and 12 years of experience. Even more importantly, she understands the vision for service-based HR at SPSA and is ready to carry forward the momentum that has been created under Ms. Walters' tenure. Ms. Smith presented the latest recruitment statistics and upcoming SPSA Human Resources events, like the Employee Appreciation event, and the Trash Bash, taking place on February 3, 2024 from 6:00 p.m. to 11:00 p.m. at the Founders Inn in Virginia Beach.

SPSA
WASTE SOLUTIONS

Nice to Meet You

CAM SMITH

US NAVY VETERAN
USS Kearsarge, Norfolk, VA
CNATT, Lakehurst, NJ

12 YRS EXPERIENCE

- Employee/Labor Relations
- Training and Development
- Leadership
- Change Management

MS HRM

Temple University
Fox School of Business

SPHR

Senior Professional in
Human Resources, HCRI

RECRUITMENT

14 VACANCIES

- 3- Scale Attendants
- 7- Operators
- 2- Environmental
- 2- Administrative

3 Contingent Offers

7 OPERATORS

- 5- TVO
 - 2 Ret
 - 2 Term
 - 1 Res
- 1- HEO
- 1- HE Mech

25 HIRED

- 10- TVO
 - 7-YELLOW
- 8-HEO/LEO
- 1- HEM
- 3- SA
- 1- SWA
- 1- Admin (HR)

UPCOMING EVENTS

MHFA TRAINING

- 12/14 & 12/15
- 8a-12p
- Chesapeake Integrated Behavioral Healthcare Prevention Services

TRASH BASH 2024

- 2/3/2024
- 6p-11p
- Founder's Inn Virginia Beach

IN-SERVICE TRAINING

- 3/11/2024
- 8a-4p
- All employees

QUESTIONS?

“Change does not change tradition. It strengthens it. Change is a challenge and an opportunity; not a threat.”

- Prince Phillip of England

Ms. Walters and Ms. Smith offered to answer any questions. Chairman Baugh commented that SPSA has been extremely well served by Ms. Walters and, on behalf of the Board, he thanked her for her positive contributions, noting that she will be missed and that everyone wishes her well. He welcomed Ms. Smith aboard and said they were delighted to have her join the organization.

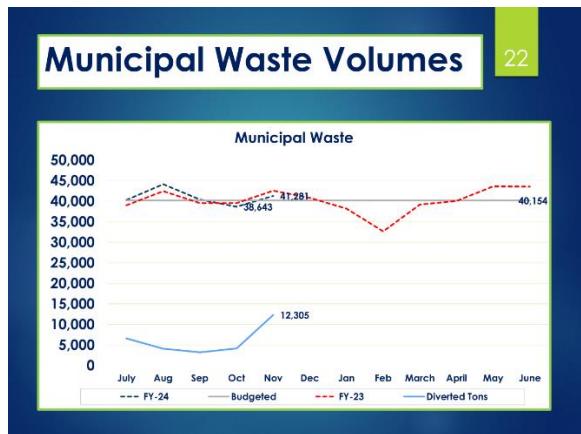
Regarding the wetlands permitting process required for the proposed expansion at the Regional Landfill and the Army Corps of Engineers' Environmental Impact Statement (EIS), staff met with with the Corps the previous day and learned of some new developments that must be assessed and will be brought back to the Board at the January Meeting. Archaeologists have been on site doing field work for the Phase 1-B study, but more work may be necessary, as well as additional information needing to be provided. The target date for the record of decision may also need to be pushed back from March of 2024 to June of 2024, however staff is hopeful that things may move faster than that, particularly because Colonel Hallberg has expressed a desire to come to a decision before he changes his post this coming summer.

Mr. Bagley reminded the Board that there was a recent fire at the WIN/Wheelabrator facility that caused major damage to one of the three processing lines. That line is not being repaired, but WIN has resumed operations with the two remaining lines and is able to process 1000 tons per day for SPSA, as agreed upon. Mr. Bagley added that once SPSA takes possession of the facility in July of 2024, that line was scheduled for demolition, so as long as WIN can continue

to process 1000 tons per day per the terms of the agreement, the damaged line does not impact SPSA in any way.

Mr. Bagley went on to say that the Purchase and Sale Agreement, Waste Disposal and Service Agreement Amendment, and Demolition Agreement with WIN Waste have all been fully executed. The first two payments have been received and the payment bonds and guarantees are in place. Chairman Baugh, Mr. Bagley and Mr. Strickland had a very productive meeting with the Captain from the Navy Shipyard the previous week and feel they have his support, including the assignment of the WIN Waste easement to SPSA. All parties look forward to continuing SPSA's longstanding mutually beneficial relationship with the Navy. As an extra measure of due diligence, SPSA has issued a task order to SCS Engineers to perform a Phase I Environmental Assessment of the RDF site before closing.

Mr. Bagley reviewed municipal and commercial waste volumes for the reporting period, as well as total waste volumes and tons diverted, noting that municipal waste volumes were above average for November and below average for October, as is the trend year over year. He also pointed out increased diversions due to the fire at WIN Waste and increased commercial tonnages which are comfortable anomalies from a revenue and operations standpoint.



Ms. Grace Roquemore presented an Environmental Update in her new role as Environmental Manager, making the Board aware of SPSA's receiving the Elizabeth River Project's River Star "Sustained Distinguished Performance at Model Level" Award. Ms. Roquemore explained that the Elizabeth River Project is a local non-profit organization dedicated to the preservation of

the Elizabeth River, the creation and preservation of wildlife habitat, and community outreach and education. The River Star Program recognizes businesses that perform meaningful environmental stewardship and SPSA has been involved in the program since its inception in 1997 and has been recognized at "Model Level" since 2006. Ms. Roquemore went on to say that this new distinction of Sustained Distinguished Performance is only awarded to organizations that show significant environmental initiative, so it is truly something to be proud of and speaks to SPSA's dedication to continuous improvement. She thanked all of the SPSA staff across various departments for their contributions toward this recognition, as well as the HRSD Platinum Award and staff's continued work with the Wildlife Habitat Council. There were no questions for Ms. Roquemore, but Mr. Bagley commented that her work has contributed significantly to SPSA's long range goals of making the value of environmental stewardship more visible in daily operations. He thanked her for her excellent results.

8. REGIONAL SOLID WASTE MANAGEMENT PLAN APPROVAL

As the Board has discussed at length, the Regional Solid Waste Management Plan (RSWMP), following the completion of the required public hearings, all parties being briefed on the changes to the RSWMP, and the Hampton Roads Planning District Commission (HRPDC) Board of Directors voting to approve, the final step before presenting to DEQ, is for the SPSA Board of Directors to vote to approve. Mr. Bagley reminded the Board that the major amendments to the RSWMP are expansion to the Regional Landfill in Suffolk to include proposed expansion into Cells VIII and IX, and a movement down the waste disposal hierarchy due to the unavoidable early closure of the WIN Waste/Wheelabrator Waste to Energy facility. There were no questions about the RSWMP itself, but Mr. Eric Walberg, Principal for Planning and Economics for the HRPDC clarified that the HRPDC's Solid Waste Planning Group is a standing committee that will continue to function and may assist in other relevant discussions. Mr. Bagley added, on that topic, that a meeting was being scheduled with that group and the SPSA member communities' Chief Administrative Officers to continue discussions about SPSA's long-term future planning.

Mr. Keifer moved, seconded by Mr. Leahy, to approve the Regional Solid Waste Management Plan, as presented. The motion was adopted by a unanimous vote in favor.

9. WRITTEN REPORTS


Chairman Baugh asked if there were any questions regarding the WIN Waste Report or the Financial Reports, but there were none.

10. RFI PRESENTATION



Mr. Bagley reintroduced Mr. Bob Gardner of SCS Engineers who would be guiding the Board through the responses to the Request for Information on Alternative Waste Disposal which had been reviewed by staff and consultants. Mr. Bagley encouraged the Board not to get bogged down in the technical terms and details at this point but assured them that the consultants would walk through things at the Board's comfort level. He told the Board how excited he and staff are for this next chapter for SPSA and turned the RFI Response presentation over to Mr. Gardner. Mr. Gardner reviewed each of the technologies that were presented in the eight responses received, the diversion claims that were made, the contract terms requested for non-landfilling solutions, as well as their range of development schedules. He also reviewed prospective financing options, proposed tonnage capacities and space utilization. Mr. Gardner then spoke more specifically of responders with demonstrated experience and those without

demonstrated experience. He also reviewed staff and consultant recommendations about next steps and what a potential conceptual schedule might look like.

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Report on Request For Information

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Report on RFI

- ▶ **Eight Responses were received**
- ▶ **The following Technologies were proposed**
 - ▶ Mixed Waste Material Recycling Facility
 - ▶ Single Stream Material Recycling Facility
 - ▶ Autoclave
 - ▶ Anaerobic Digestion
 - ▶ Composting
 - ▶ Gasification
 - ▶ Pyrolysis
 - ▶ Induction Furnace
 - ▶ Syngas Processing
 - ▶ Landfilling

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Report on RFI

- ▶ **Diversion Claims**
 - ▶ Not all respondents addressed diversion rates
 - ▶ Those that did provide diversion rates ranged from 65% - 95% diversion
- ▶ **Terms Requested for Alternatives to Landfilling**
 - ▶ 10 – 25 years
 - ▶ 20+ years was preferred
 - ▶ Terms of less than 20 years would result in higher tip fees
- ▶ **Development Schedules**
 - ▶ One mixed waste proposal could start at a small scale effective immediately and ramp up over 2 years
 - ▶ Other proposals were 2 – 4 years

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Report on RFI

- ▶ **Financing Options Included**
 - ▶ Public Private Partnership
 - ▶ Industrial Revenue Bonds
 - ▶ Private Financing
- ▶ **Anticipated Capex**
 - ▶ 750 M +
- ▶ **Facility Capacities Proposed**
 - ▶ 360,000 TPY – 855,000 TPY
- ▶ **Utilization of space at the RLF and The RDF facility were suggested to lower cost and improve SPSA efficiency**

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Responders with demonstrated experience

- ▶ **RDS (Recycling Disposal Solutions)**
 - Mixed Waste Facility
 - Organic Composting
 - Anaerobic Digestion
 - ▶ Currently operating a mixed waste material recycling facility in Portsmouth
 - ▶ Currently sorting recyclables and recycling residue at multiple other facilities
- ▶ **TFC (Tidewater Fiber Corp)**
 - Curbside Collection of Single Stream
 - Single Stream Sorting Facility
 - Mixed Waste Facility
 - ▶ Currently collects single stream and operates a Single Stream Material Recycling Facility
 - ▶ No experience in Mixed Waste Facilities

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Responders with demonstrated experience

- ▶ **BHS (Bulk Handling Systems)**
 - Mixed Waste Facility
 - Anaerobic Digestion
 - Biogas Production
 - ▶ Has experience as a supplier of processing equipment and operating in some instances.
- ▶ **Repower South**
 - Mixed Waste Facility
 - Pyrolysis (Hard to recover plastic to naphtha oil)
 - Anaerobic Digestion
 - ▶ Operates two Facilities - One facility in South Carolina and one in Alabama

Responders with no demonstrated experience

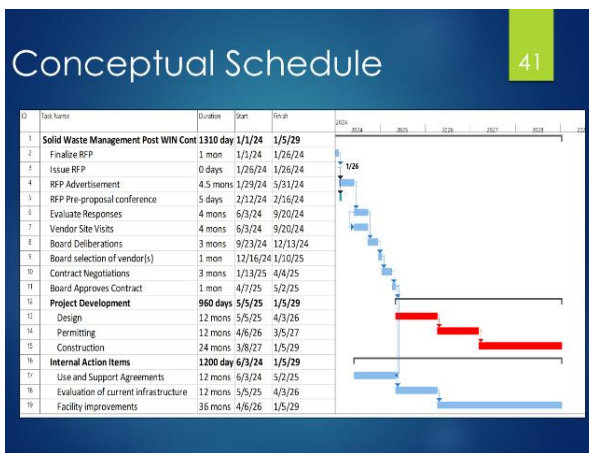
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- **Carbon Sweep**
Mixed Waste Material Recycling Facility
Dry and Grind plastics into Engineered Fuel Pellets (EFP)
EFP's are then converted into renewable diesel and other products for commercial sale
- **IBC Renewables –**
Mixed Waste Material Recycling Facility
Gasification
Induction Furnace
- **Hughes Energy-**
Autoclave Technology
- **Waste Management –**
Nothing specific was proposed in their response. They offered a laundry list of available technologies but did not provide anything specific or where they currently utilize the technology. However, WM is the largest solid waste company in North America.

Recommendation

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- Begin negotiating new Use and Support Agreements establishing a minimum 20-years term, with 10-year renewable terms
- Finalize and issue the RFP for solid waste processing services
 - Exclude the landfilling option (that can be negotiated if needed at any time)
 - Request solutions that achieve 60+% diversion
 - Set term to 20 years
 - Request specifics on financing and financial capabilities of the entities
 - Finalize evaluation criteria
 - Conduct site visits to various mixed waste processing facilities in the US, and specifically some of the referenced facilities in the RFI responses



The Board engaged in extensive discussions on how best to move forward with preparations for an RFP, given the information learned from RFI responses and staff and consultant recommendations. Concerns were raised about financing sources, specific technologies, the need for demonstrable results, revenue and cost assumptions, and implications for long-term planning. It was agreed that issuing the RFI was a worthwhile exercise that provided valuable insight. Once it was determined that the discussion had concluded, Chairman Baugh summarized the plan moving forward. Before the January Board Meeting, Mr. Bagley, staff, and consultants would take the essence of the comments provided at the day's meeting and incorporate them into a draft of the RFP format that will then be provided to the Board in advance of the meeting for their consideration, comment, and discussion at the January Board Meeting. The conceptual schedule presented at the day's meeting would also be enlarged and disseminated. SCS Engineers and special counsel, Mr. Brad Nowak, who was instrumental in previous successful waste disposal contractual agreements, will be present at the meeting to aid the discussion. As is customary, the draft RFP will include proposal evaluation criteria which will be subject discussion and commentary.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors, the regular meeting was adjourned at 11:39 a.m.

Dennis L Bagley

Dennis L. Bagley
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors